



## Auditor

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September 11, 2018

Board of County Commissioners  
Cass County Government  
211 9<sup>th</sup> Street South  
Fargo, North Dakota 58103

RECEIVED  
CASS COUNTY COMMISSION

SEP 11 2018

Re: 2018 Budget Hearing

Dear Commissioners:

The date of September 17, 2018 at 6:00 PM has been set to hold a public hearing on the 2018 Cass County Budget. A notice was published in *The Forum* on August 27, 2018, and is also posted on our web site along with the detailed preliminary budget. Estimated Tax Notices were sent to approximately 60,000 Cass County property owners as required by SB 2288. We included notices of hearings on the estimated tax statements for those entities levying more than \$100,000 in property taxes.

The Preliminary Budget approved on August 6, 2018, totals \$124,512,081 with a projected maximum mill levy on county property of 55.80 mills—up from the 52.51 mills levied for 2017 taxes (2018 budget). The increase of 3.29 mills is made up of an increase of 4.5 mills for capital projects and decreases of 1.21 mills in the General Fund, Emergency Fund, and Debt Service Fund.

This is a major increase in the amount levied and budgeted for the Capital Projects Fund and is driven by two projects. The first project is the joint juvenile project with Clay County in which Cass County will contribute to the construction costs of their new Juvenile Center in the amount of \$2.5 million next year. The second project is the Cass County Public Safety Communications Project. This is a project that is estimated to cost upwards of \$15 million and is being funded at the present time through the Capital Projects levy. The Commission also certified a sales tax question on the November ballot to shift this funding to a sales tax if approved by the voters.

I have a brief power point presentation to give to you before the public hearing is opened that explains the process and the results of budget deliberations made by the county over the past few months.

I want to express my appreciation to the dedication of Cass County Department Heads and staff in preparing the 2019 county budget and to the County Commission for conducting hearings over three days in July to fine-tune 2019 funding requests.

Following today's hearing, the board can consider changes to the budget and you can reduce the overall mill levy; however, you may not raise the mill levy from what has been published. The final budget must be approved on or before the first day of October under our Home Rule Charter.

Sincerely,

  
Michael Montplaisir  
Cass County Auditor

PO Box 2806  
211 Ninth Street South  
Fargo, North Dakota 58108

[www.casscountynd.gov](http://www.casscountynd.gov)

SUGGESTED MOTIONS:

Move to make the following changes to the 2019 Preliminary Budget and to set a date for final approval of the 2019 Final Budget or approve the 2019 Final Budget in the amount of \$ \_\_\_\_\_ and direct the County Auditor to levy the necessary taxes to support the 2019 Final Budget with a maximum mill levy on any county property of \_\_\_\_\_ mills.

**OR**

Move to approve the 2018 Final Budget as presented in the amount of \$124,512,081 and direct the County Auditor to levy the necessary taxes to support the 2019 Final Budget with a maximum mill levy on any county property of 55.80 mills as outlined in Attachment A.

### Cass County Government Budget/Levy Summary 2019

	2018			2019		2019 Projected Fund Balance	2017 Mill Levy	2018 Mill Levy
	Adjusted Budget	Projected Expenditures	Projected Fund Balance	Board Revenues	Final Budget			
<b>101 General Fund</b>	<b>35,545,716</b>	<b>35,007,118</b>	<b>5,882,899</b>	<b>36,387,384</b>	<b>36,977,061</b>	<b>5,293,222</b>	<b>31.91</b>	<b>31.00</b>
<b>Special Revenue Funds</b>								
201 Human Services	13,293,507	13,293,507	124,538	13,728,066	13,852,604	-	-	-
211 Road and Bridge	15,639,072	15,046,578	3,055,934	16,068,833	17,221,185	1,903,582	10.00	10.00
219 Parenting Workshop	18,000	1,801	38,108	12,590	18,000	32,698		
221 Sheriff Asset Forfeiture	154,872	136,213	88,069	105,200	114,791	78,478		
222 Senior Citizens Fund	1,406,743	1,406,743	377,404	1,519,860	1,610,085	287,179	1.00	1.00
224 911 Service Fund	4,389,557	4,363,328	490	4,335,051	4,335,051	490		
225 Asset Forfeiture (States Atty)	4,000	2,000	235,031	15,500	2,500	248,031		
226 JAIBG Fund (Sheriff)	4,000	4,000	66,767	4,150	4,000	66,917		
229 Emergency/Flood Mitigation Fund	2,000,000	-	4,819,647	10,000	2,000,000	2,629,647	0.25	-
220 24/7 Sobriety Program	343,928	351,825	106,284	458,400	397,017	167,667		
235 Jail Commissary Fund (Sheriff)	167,019	151,969	629,044	112,000	117,875	623,169		
236 Hazardous Plan/Response Fund (EM)	6,000	8,696	31,791	8,000	11,600	28,191		
237 Valley Water Rescue Fund (Sheriff)	43,500	43,500	24,457	42,706	43,500	23,663		
238 NDRIN Fund (Recorder)	1,365,000	1,211,542	2,085,669	1,050,000	1,142,300	1,993,369		
239 Document Preservation (Recorder)	342,883	342,883	290,173	75,000	171,523	193,650		
241 Swat Vehicle Replacement	-	-	17,285	2,365	-	19,650		
<b>Total Special Revenue Funds</b>	<b>39,178,081</b>	<b>36,364,585</b>	<b>11,790,691</b>	<b>37,547,721</b>	<b>41,042,031</b>	<b>8,296,381</b>	<b>11.25</b>	<b>11.00</b>
<b>Total General and Special Revenue Funds Mill Levy</b>							<b>43.16</b>	<b>42.00</b>
<b>Debt Service Fund (Special Assessment)</b>								
303 Grey Hawk Estates Sub	29,250	29,250	28,481	31,300	28,150	31,631		
311 Wild Rice River Estate Sub	11,928	11,928	5,861	15,109	16,733	4,237		
318 Grandberg/Amber Plains Subdivision	31,475	31,065	3,472	26,925	29,894	503		
319 Courthouse Debt Service	911,483	911,483	53,877	905,975	901,628	58,224	1.05	1.00
<b>Total Debt Service Funds</b>	<b>984,136</b>	<b>983,726</b>	<b>91,691</b>	<b>979,309</b>	<b>976,405</b>	<b>94,595</b>	<b>1.05</b>	<b>1.00</b>
<b>Capital Projects Funds</b>								
401 Building Fund	-	-	1,323,037	5,227,672	6,000,000	550,709	0.50	5.00
402 Round Hill Subdivision	-	-	27,730	100	-	27,830		
403 Grey Hawk Estates	-	-	31,249	-	31,200	49		
411 Wild Rice River Estates	-	-	1,015	50	-	1,065		
413 Forest River Subdivision	-	-	29,874	100	-	29,974		
418 Grandberg Amber Plains	-	-	37,447	100	-	37,547		
420 Flood Control Sales Tax	16,358,980	14,923,000	6,025,394	15,815,000	15,378,000	6,462,394		
421 Flood Control Loan Fund	1,500,000	2,400,000	-	3,000,000	3,000,000	-		
<b>Total Capital Project Funds</b>	<b>17,858,980</b>	<b>17,323,000</b>	<b>7,475,746</b>	<b>24,043,022</b>	<b>24,409,200</b>	<b>7,109,568</b>	<b>0.50</b>	<b>5.00</b>
<b>Internal Service Funds</b>								
501 Health Insurance Fund	4,973,001	4,944,495	4,373,004	5,367,808	5,145,655	4,595,157		
502 Telephone Service Fund	247,200	238,697	219,614	240,150	203,600	256,164		
504 Motor Pool Service Fund	41,953	42,953	89,865	42,050	39,259	62,656		
505 Dental Insurance Fund	387,715	392,037	229,425	396,924	379,137	247,212		
<b>Total Internal Service Funds</b>	<b>5,649,869</b>	<b>5,618,182</b>	<b>4,911,908</b>	<b>6,046,932</b>	<b>5,767,651</b>	<b>5,191,189</b>	<b>-</b>	<b>-</b>
<b>Total "County" Mill Levy</b>							<b>44.71</b>	<b>48.00</b>
<b>Other County Agencies</b>								
231 Weed Control Fund	557,488	556,707	185,782	471,978	563,457	94,303	1.40	1.40
232 Vector Control Fund	1,173,154	1,109,317	189,781	1,281,405	1,197,596	273,590	0.90	0.90
233 County Park Fund	38,190	32,500	105,934	38,190	45,700	98,424	-	-
Southeast Cass WRD	9,471,290	27,800,000	8,401,945	8,449,250	6,871,700	9,979,495	3.00	2.76
Rush River WRD	863,105	1,250,000	1,802,196	657,225	615,995	1,843,426	4.00	4.00
Maple River WRD	1,771,050	5,600,000	3,888,190	2,721,390	3,232,960	3,376,620	4.00	4.00
North Cass WRD	751,810	550,000	1,316,971	648,825	498,235	1,467,561	4.00	4.00
Red River Joint WRD				2,314,090	2,314,090	-	1.50	1.50
<b>Total Other County Agencies</b>	<b>14,626,087</b>	<b>36,898,524</b>	<b>15,890,799</b>	<b>16,582,353</b>	<b>15,339,733</b>	<b>17,133,419</b>	<b>18.80</b>	<b>18.56</b>
<b>Total All County Funds</b>	<b>113,842,869</b>	<b>132,195,135</b>	<b>46,043,734</b>	<b>121,586,721</b>	<b>124,512,081</b>	<b>43,118,374</b>	<b>63.01</b>	<b>66.56</b>
<b>Maximum County Mill Rate on any Property</b>							<b>52.51</b>	<b>55.80</b>



# 2019 Cass County Budget

Budget Hearing September 17, 2018



# Budget Hearing September 17, 2018

- ▶ The Budget Hearing is the opportunity for the public to express their thoughts on the County's 2019 budget. Comments should address spending levels, services that the county should or should not provide, and areas that the county may be overlooking.
- ▶ Questions about valuation of property should be addressed in the Equalization Meeting held by the City, Township, County, and State Equalization Boards that started in April and concluded in July.



# Budget Hearing September 17, 2018

- ▶ County Budget Process

- ▶ The county has several steps in the budget process

- ▶ We start our budget process in May of each year with the County Commission approving a budget calendar so Department Heads and Commissioners are informed of the time lines to complete the 2019 budget.
    - ▶ Department heads have until July 15<sup>th</sup> to submit their budgets with our on-line budget system. Line items that deal with employee compensation are completed by the Auditor's Office.
    - ▶ The County Commission held hearings on July 25 through July 27 with each department and outside agency funded by Cass County.
    - ▶ The County Commission approved the Preliminary Budget on August 6<sup>th</sup> and scheduled the Public Hearing for the Budget on September 17<sup>th</sup>.
    - ▶ A notice was published in The Forum on August 27<sup>th</sup> and notices were sent to property owners on August 30<sup>th</sup>.



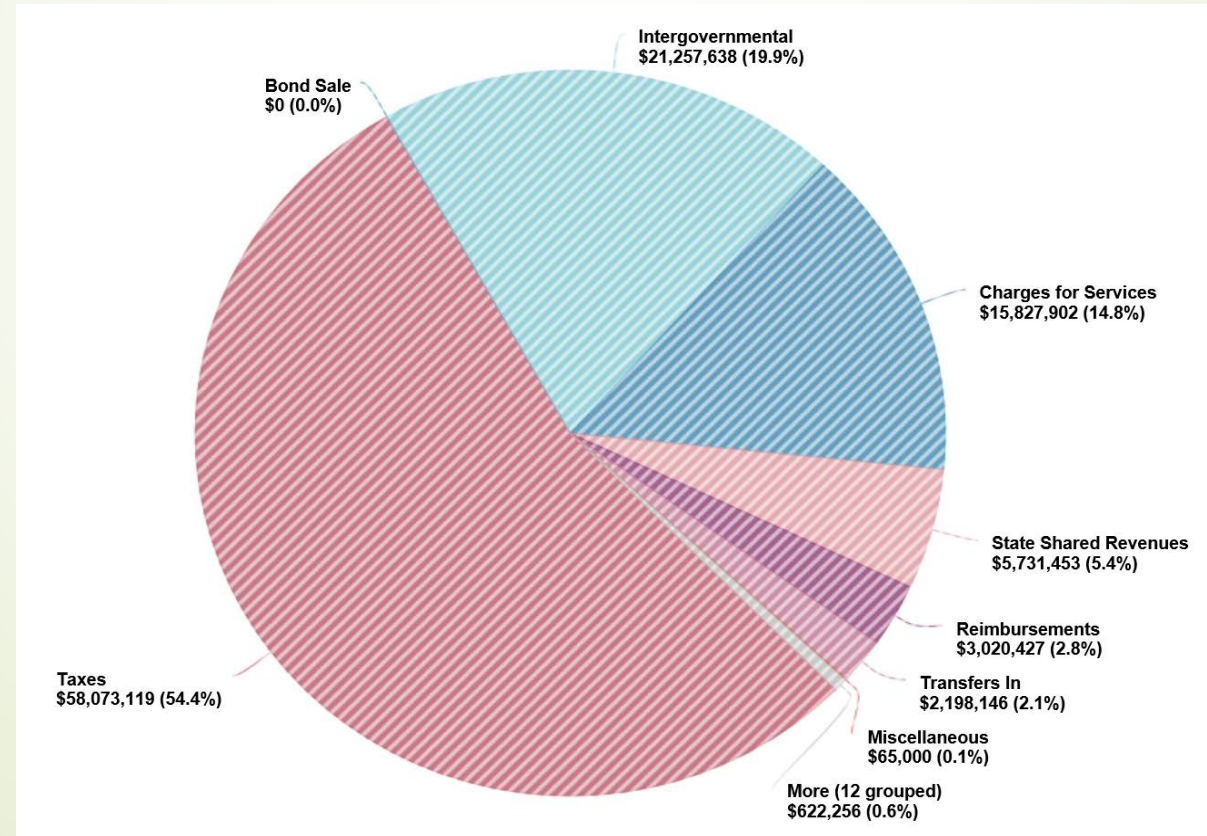


# Budget Hearing September 17, 2018

- ▶ The county includes forty different funds to segregate funds by levy authority, individual boards, or dedicated funds used for a specific purpose either by state law or county operating policies.
- ▶ A summary notice was published in The Forum on August 27<sup>th</sup> and is included as an attachment to this document.
- ▶ The Preliminary Budget was approved at \$124,512,081 with projected revenues of \$121,586,82. A maximum mill levy of 55.80 mills on any property in the county is projected, which is an increase of 3.29 mills.

# Budget Hearing September 17, 2018

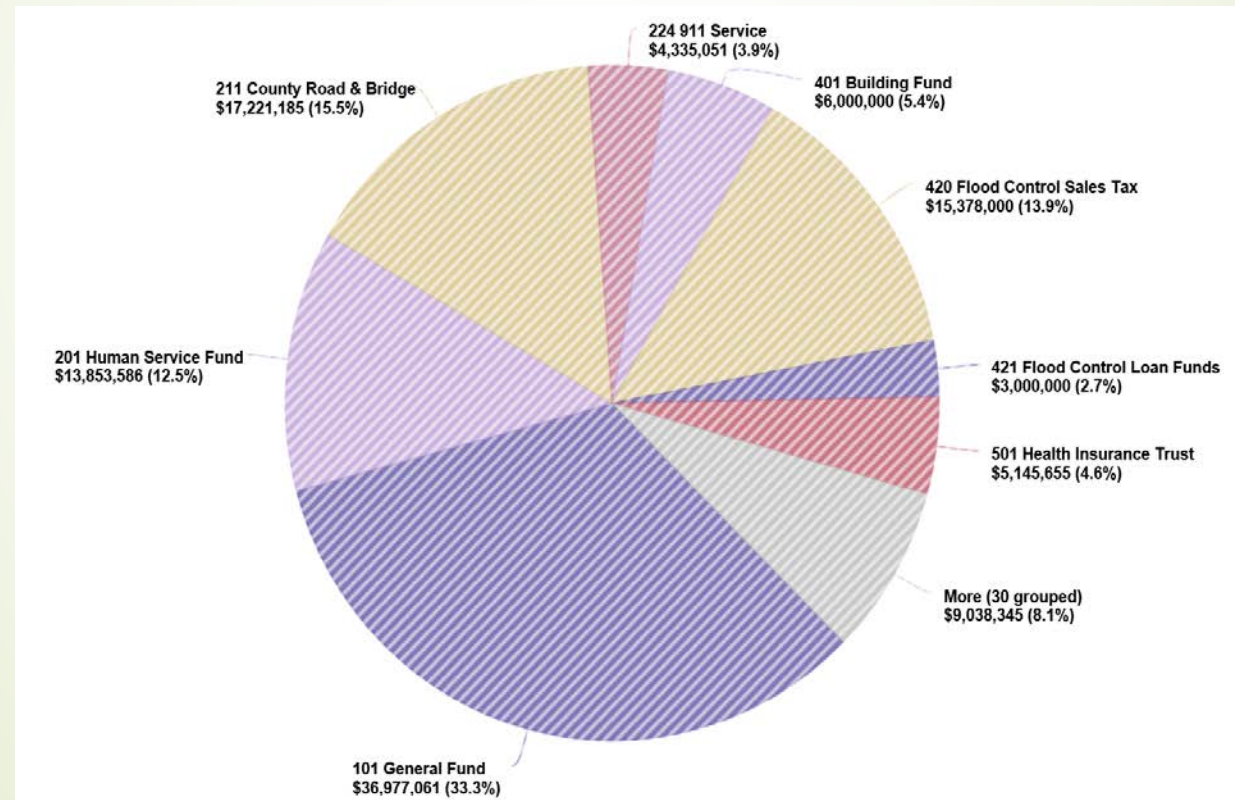
- 2019 revenues for Cass County are generated through 54% property taxes and 20% state revenues. Additional revenue sources come from charges for services and fees. Water Resource District revenues are not included in the chart.





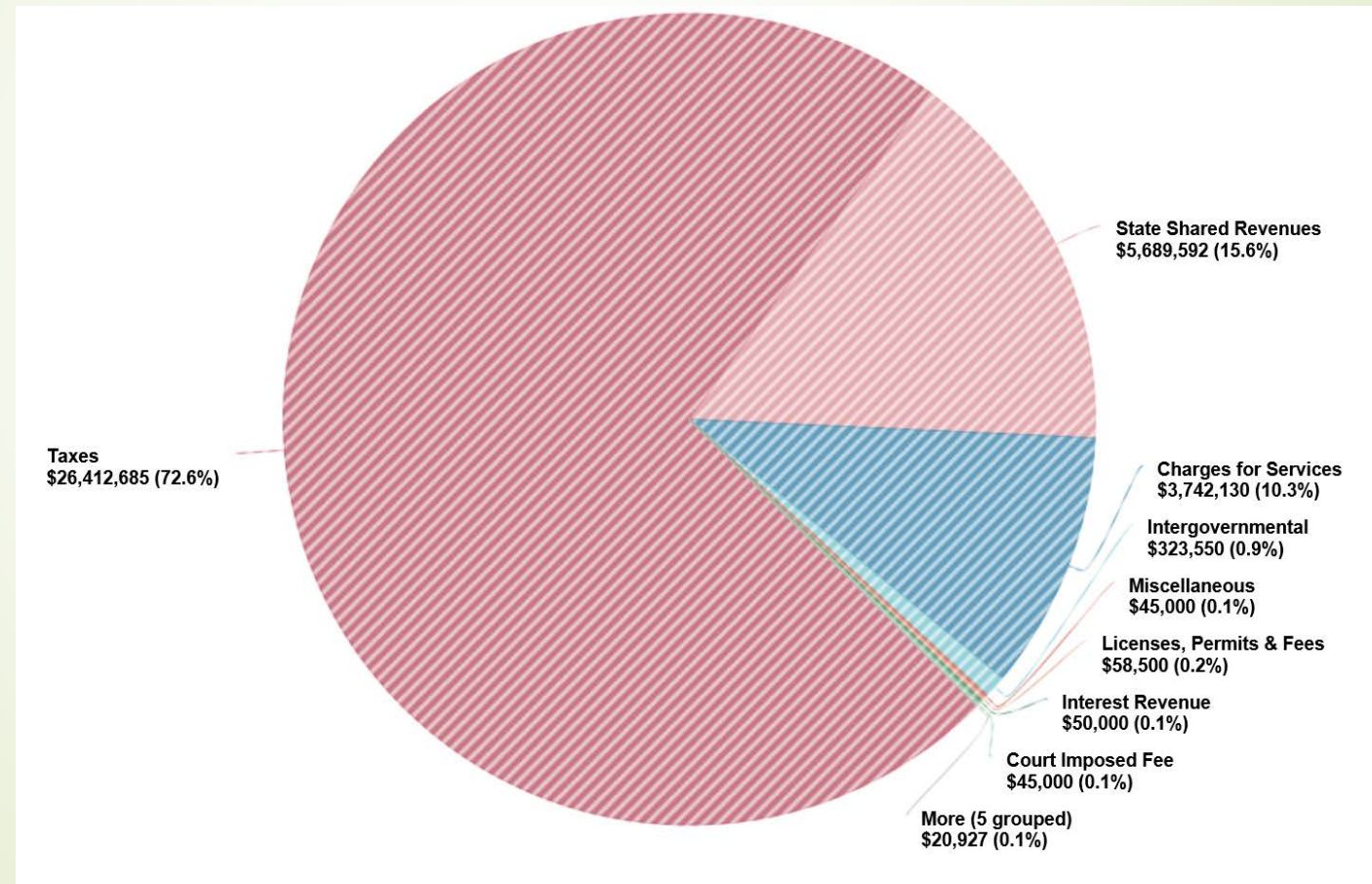
# Budget Hearing September 17, 2018

- ▶ The four major county funds are the General Fund, Road Fund, Social Service Fund and our Flood Control Sales Tax Fund.



# Budget Hearing September 17, 2018

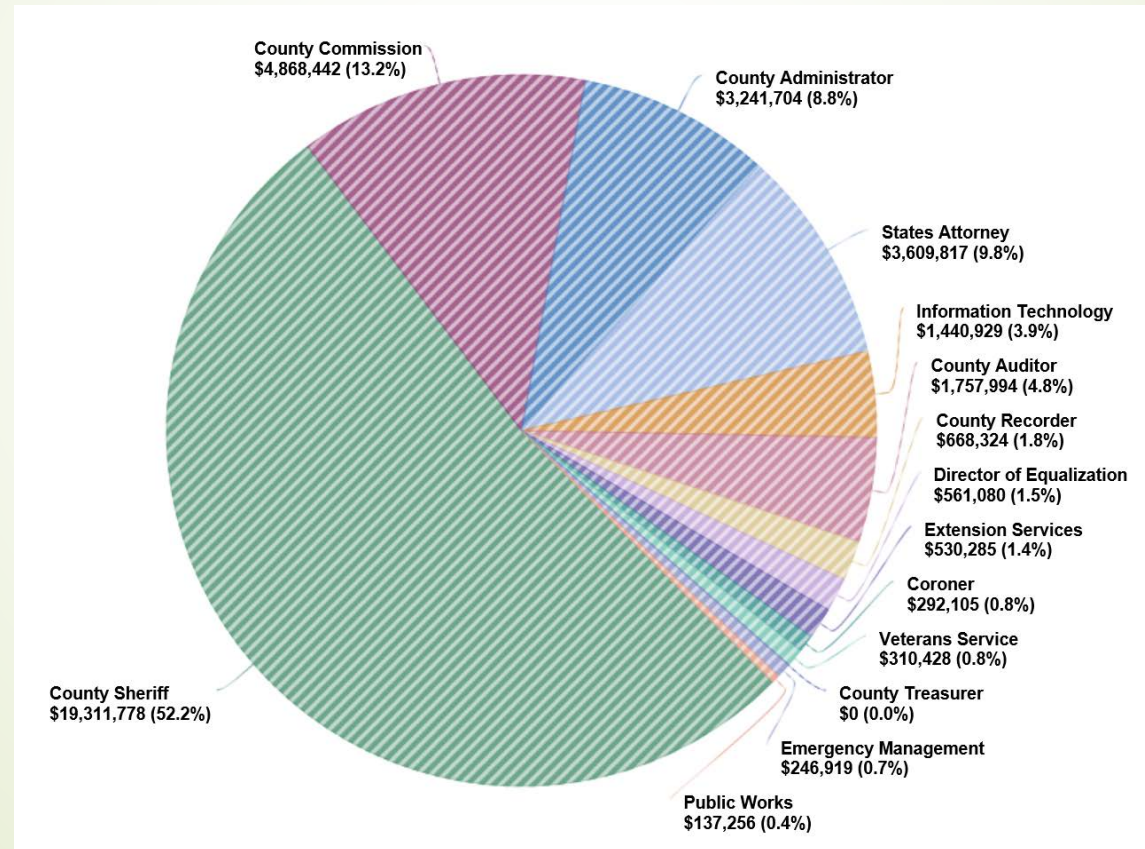
- ▶ The General Fund is the main operating fund of the county and over 70% of revenues for operations come from property taxes.





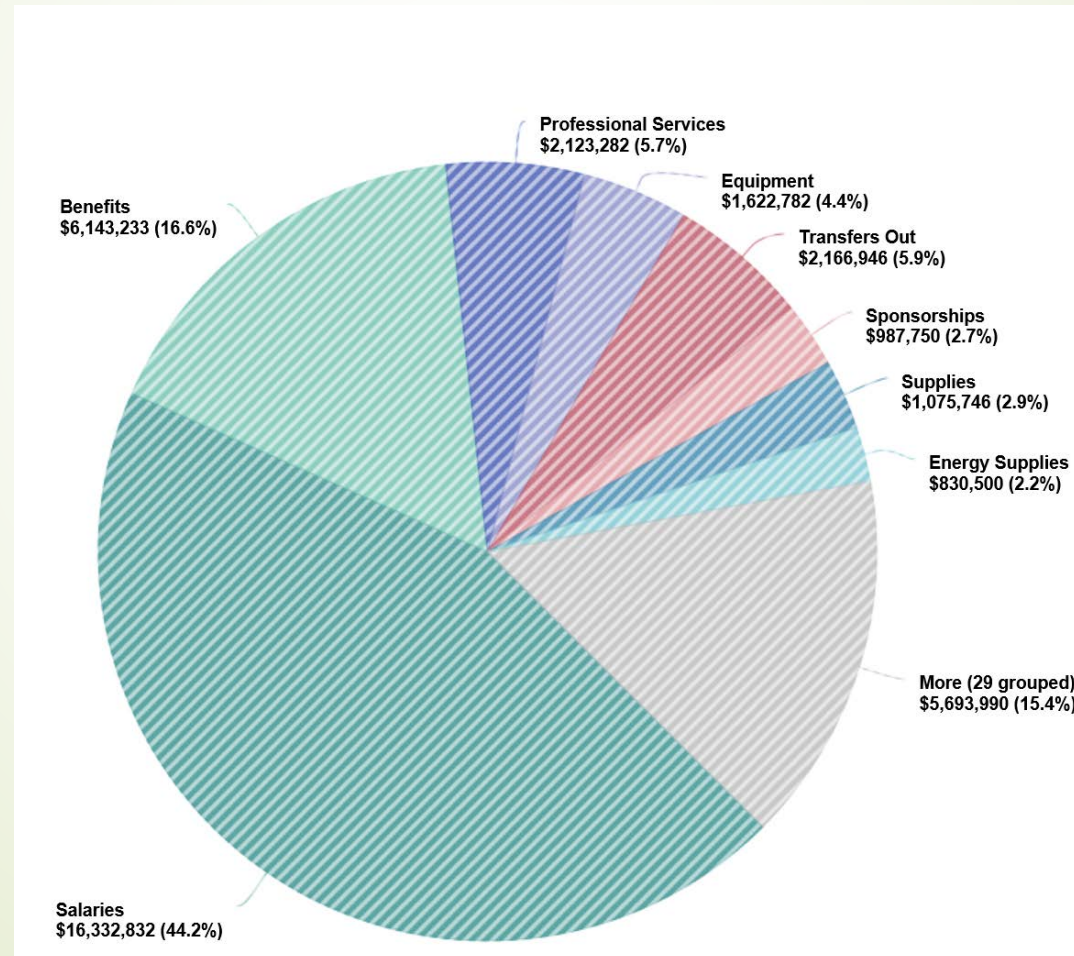
# Budget Hearing September 17, 2018

- Most departments are funded through the General Fund. Approximately 62% of the fund expenses are related to law enforcement—the County Sheriff and State’s Attorney.



# Budget Hearing September 17, 2018

- Breaking the General Fund down by type of costs, approximately 61% of the costs are Personnel-related for Salaries and Benefits.

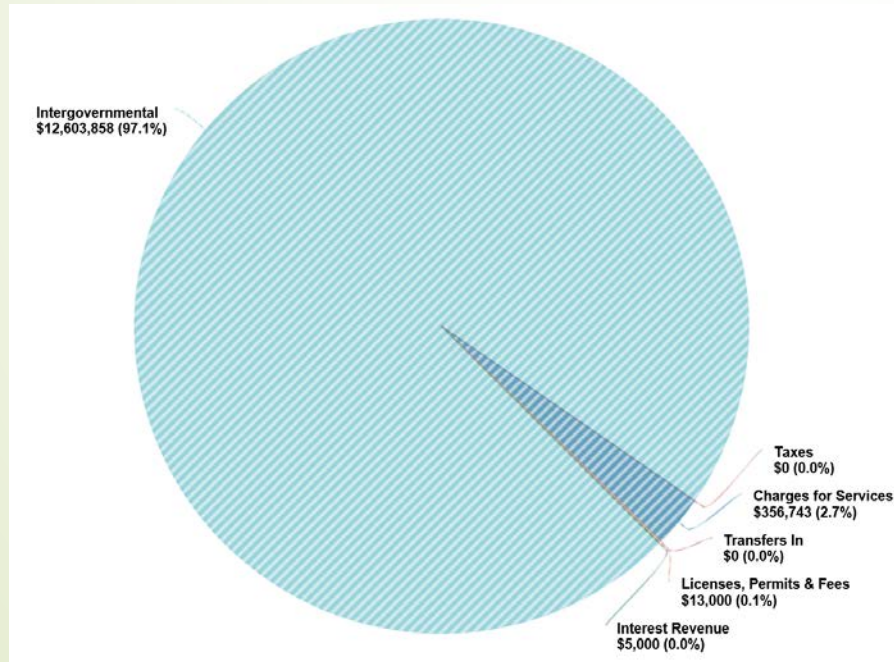




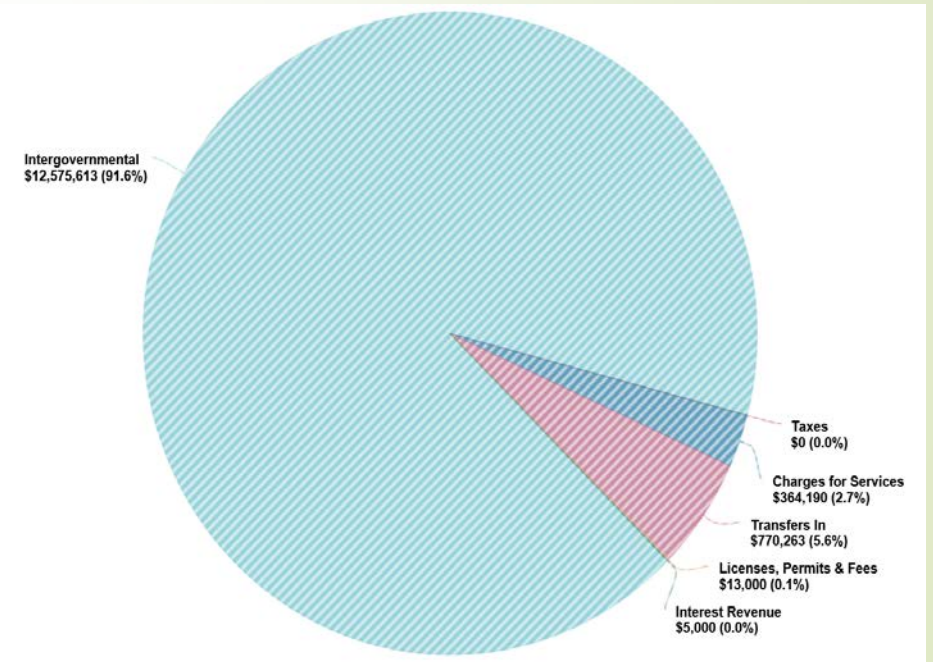
# Budget Hearing September 17, 2018

- The Social Service Fund revenue source has changed from 2017 when Social Services was 70% locally funded with property tax to 2019 where almost 92% is paid from state sources. We are in the second year of the transitional program to move most of the administrative costs of Social Services to state funding. Some costs, such as indigent burials and local programs, such as homemaker services, continue to be county-funded programs. Transfers in shown on the 2019 graph is a transfer from the General Fund.

2018 Revenues Sources



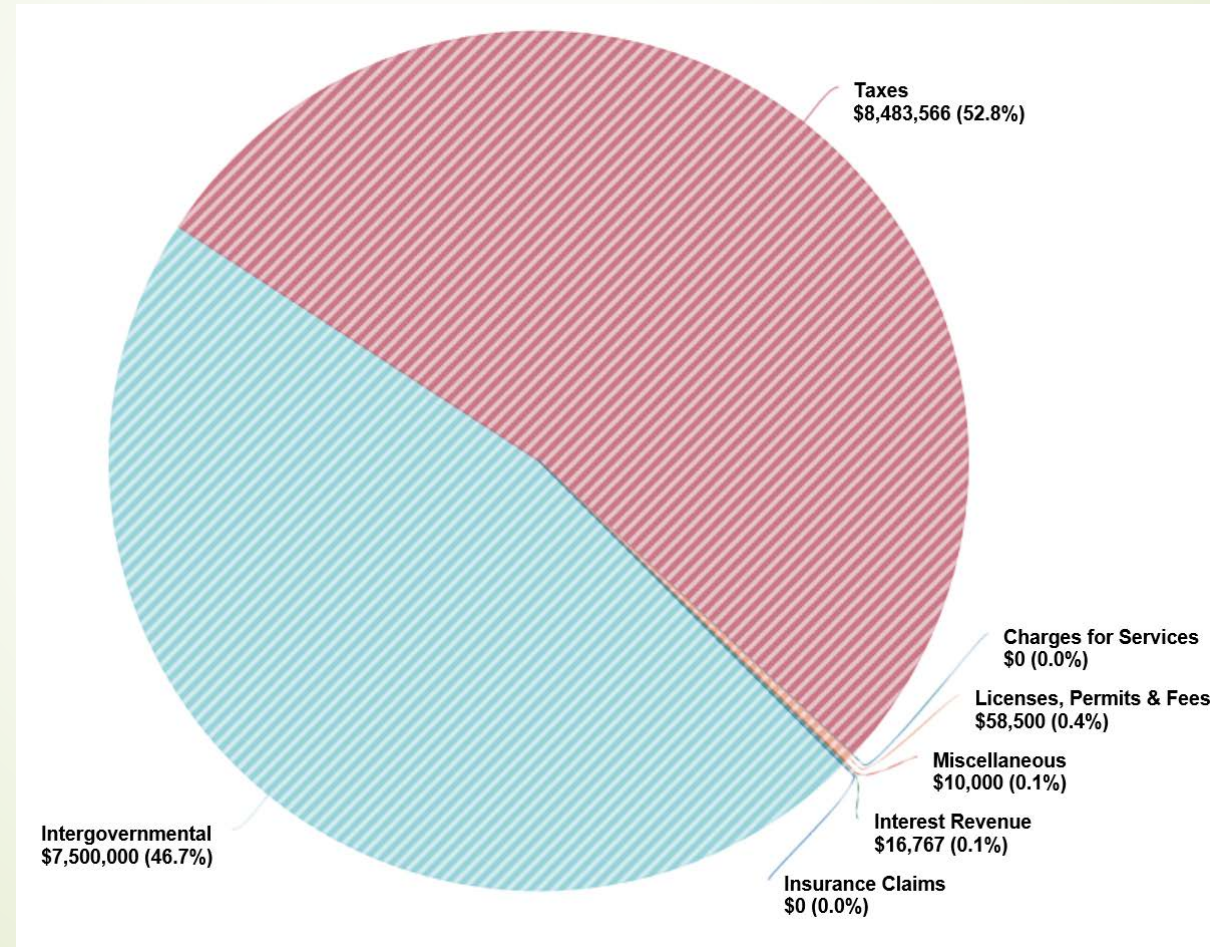
2019 Revenues Sources





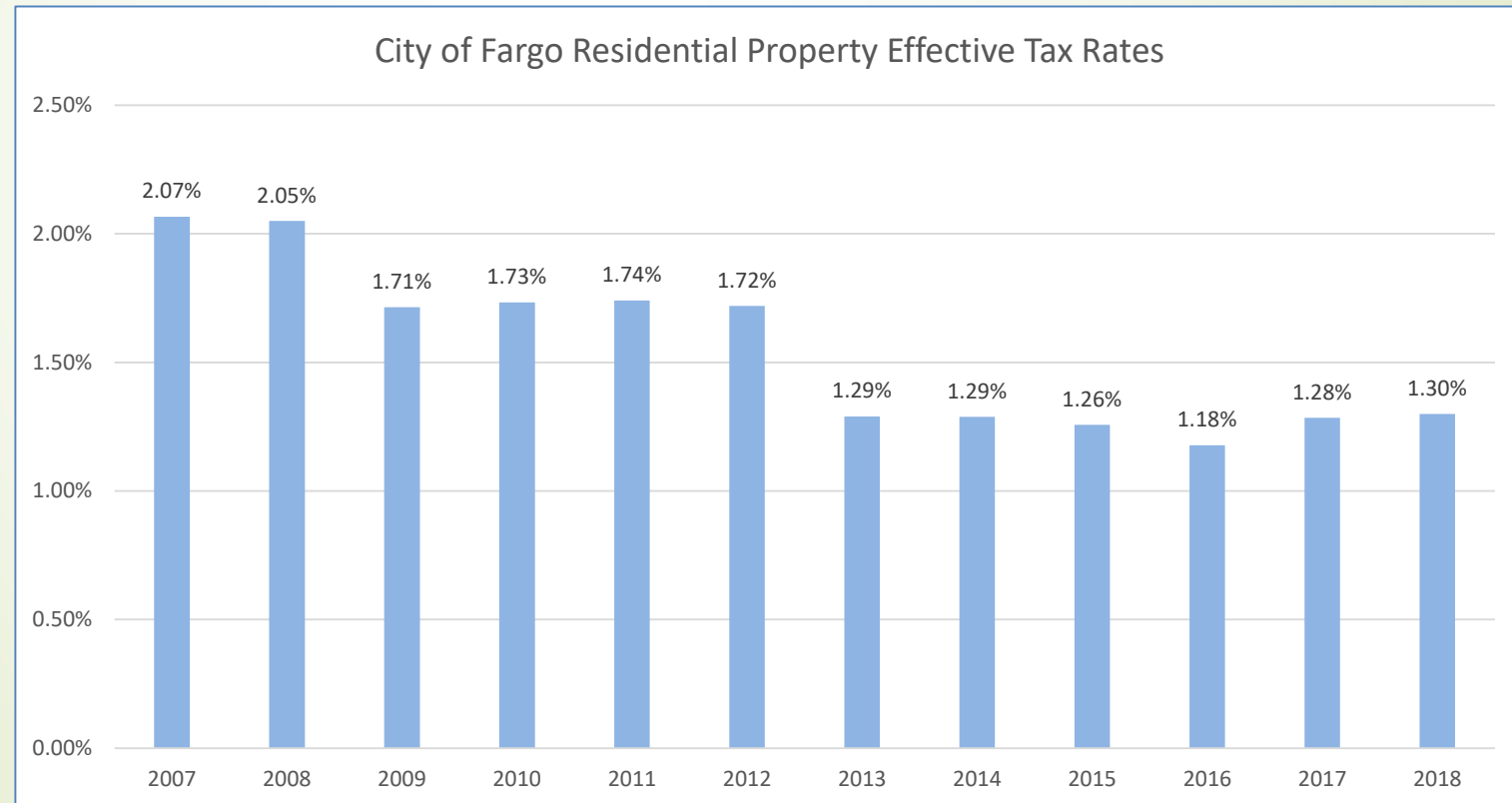
# Budget Hearing September 17, 2018

- ▶ The County Road & Bridge Fund is funded 53% in property taxes and 46% from Gas Tax revenues.



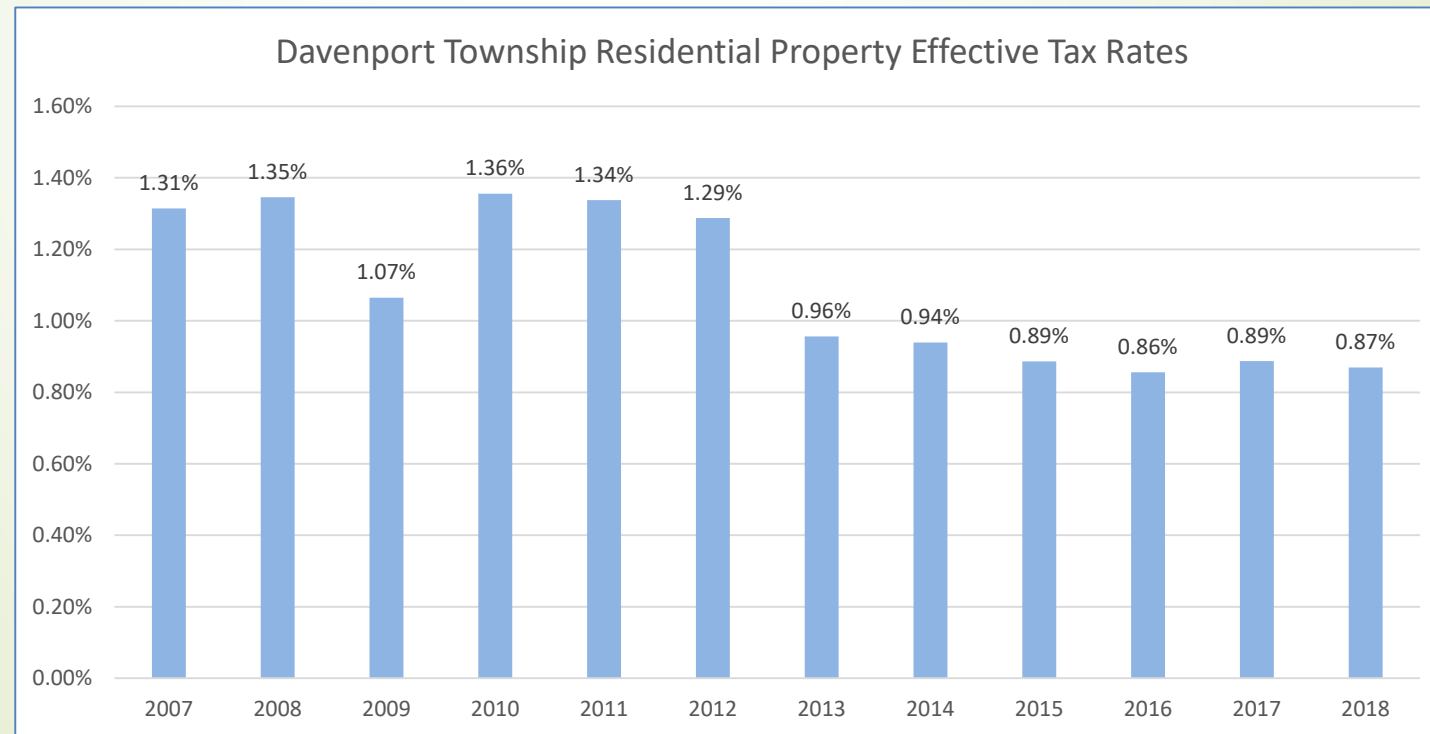
# Budget Hearing September 17, 2018

- ▶ The Effective Tax Rate (ETR), tax divided by true and full value, has fallen from 2.07% in 2007 to 1.30% for 2018 taxes. The reduction in ETR was accomplished through additional school funding and social service funding from the State of North Dakota.



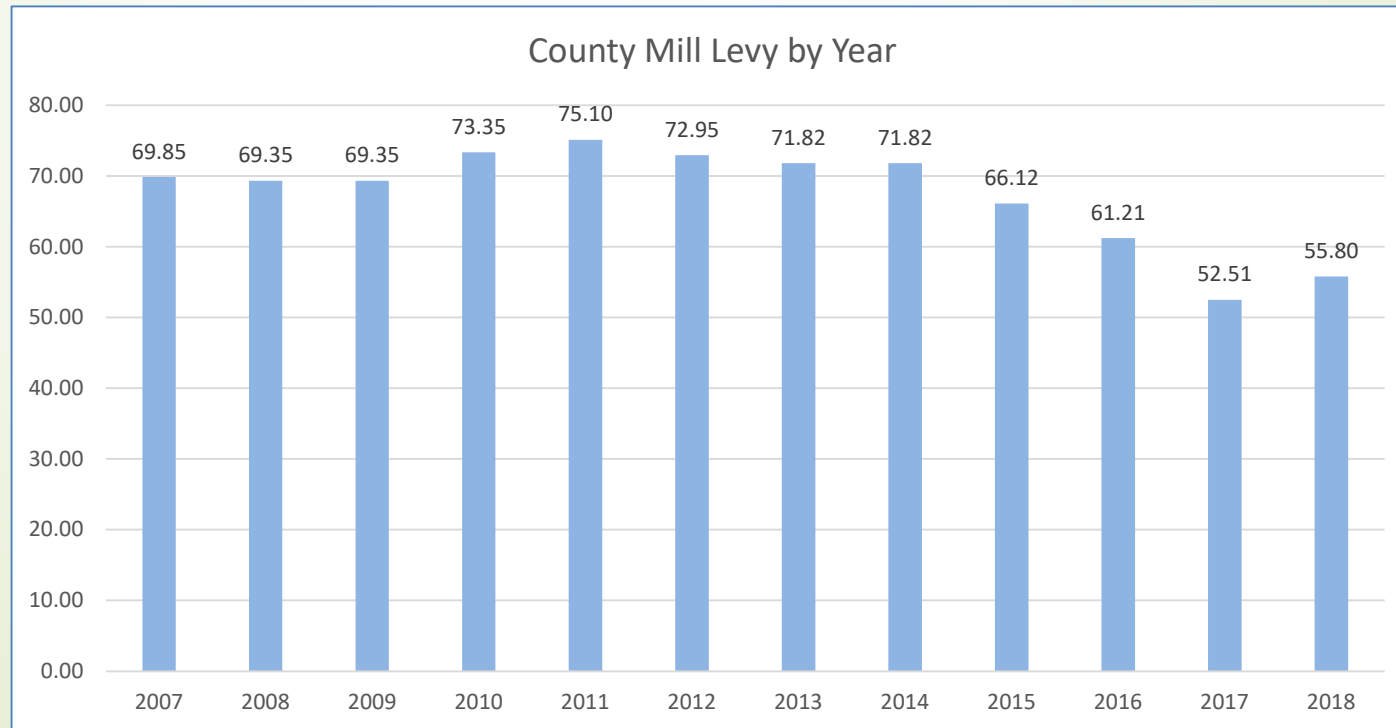
# Budget Hearing September 17, 2018

- ▶ The effective tax rate can vary a lot across the county. The individual levies of school districts, cities, and park districts are the biggest factor in variance of the effective tax rate for property owners. In Davenport Township the effective tax rate went from 1.31% in 2007 to 0.87% for 2018. The large increase in 2010 is a locally approved bond issue for a school building.



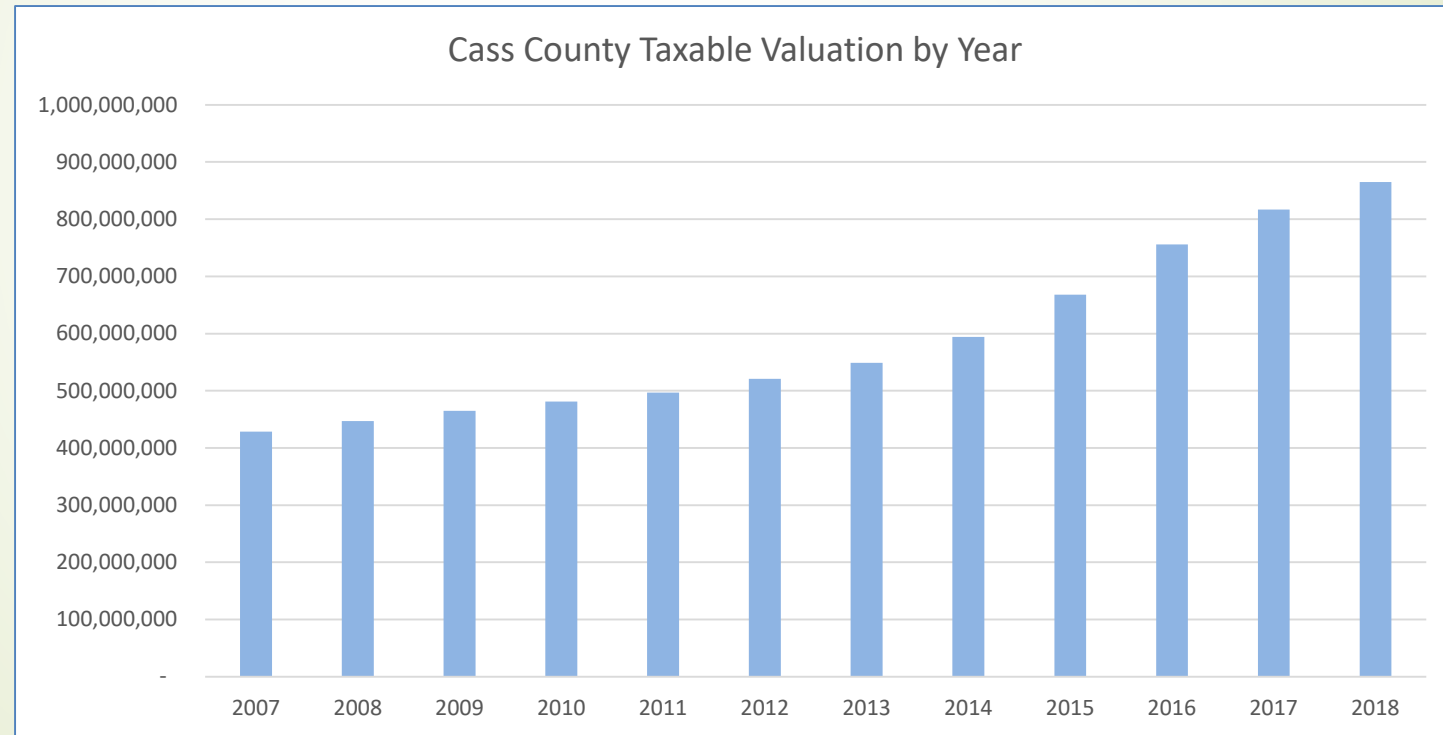
# Budget Hearing September 17, 2018

- Cass County has been lowering the mill levy since 2008 after raising it to provide for a debt service for the Courthouse West Addition. In 2007, Cass County's mill levy was 69.35 and will be 55.80 mills for 2018 taxes. The increase from 2017 to 2018 is for a Juvenile Justice building being built in conjunction with Clay County and for the Cass County Public Safety Communications Project.



# Budget Hearing September 17, 2018

- ▶ A big reason for Cass County's mill levy reductions is the strong growth in taxable value. Taxable value has grown from \$428.4 million in 2007 to \$864.7 million estimated for 2018.







# OpenGov Financial Portal

- ▶ Most of the graphs provided in this presentation were prepared using our OpenGov site available on our website. We post our financial information on this site, and we have saved a number of reports for your review. You may also design your own report.